GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:894
ANSWERED ON:27.07.2001
CENTRAL ISSUE PRICE OF FOODGRAINS
T.M. SELVAGANAPATHI

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Union Government are considering to reduce the central issue price offood-grains distributed under the Public Distribution System (PDS) and the Food-for-work Schemeto increase the off-take and reduce stocks in preparation for the kharif season;

(b) if so, the details thereof;

(c) whether the Union Government have received any proposal from the Plan Panel suggestingsome changes in the overall PDS system considering negligible off-take of foodgrains from the PDS at above poverty line prices and blackmarketing of grains meant for below poverty line population; and

(d) if so, the details thereof and the steps taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

(a)&(b): In order to Increase the offtake of foodgrains, Government has reduced the Central Issues Price of wheat from Rs. 830/- per quintal to Rs. 610/- per quintal and for rice from Rs. 1130/- pre quintal to Rs. 830/- per quintal for APL families with effect from 12.7.2001 till 31.3.2002 or till surplus stocks last, whichever is earlier.

As regards Food for Work Programme, foodgrains are available for allotment to States/UTs at BPL rates which are Rs. 415/- per quintal for wheat and Rs. 565/- per quintal for rice. Foodgrains are also allotted free of cost to drought affected States/UTs as an additionality under the Food-for-Work Programme launched by the Ministry of Rural Development in the drought affected areas.

(c)&(d): In their Note on `PDS and Food Security`, Planning Commission has suggested that a separate Central Issue Price be fixed for 25% of the population which is in between the APL and the BPL category to discourage black-marketing and to reduce the burden of subsidy. The Government has, however, not found the suggestion feasible.